

**San Joaquin Valley Unified
Air Pollution Control District**

**NEW CRYOGENIC NATURAL GAS
PROCESSING PLANT**

Project Number S-1103628

**City of Elk Hills
Kern County**

**Initial Study and
Negative Declaration**

December 2010

**SAN JOAQUIN VALLEY AIR POLLUTION CONTROL DISTRICT
GOVERNING BOARD 2010**

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SEYED SADREDIN

INITIAL STUDY AND NEGATIVE DECLARATION

New Cryogenic Natural Gas Processing Plant for Occidental of Elk Hills, Inc.

December 2010

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A. INTRODUCTION

The San Joaquin Valley Unified Air Pollution Control District (District) has received an Authority to Construct (ATC) application from Occidental of Elk Hills Inc. (Occidental). Occidental is proposing to construct and operate a new cryogenic natural gas processing plant to be located at the existing Occidental gas plant, (Stationary Source S-2234). The new plant will be designed to process approximately 200 MMscfd of natural gas from crude oil and natural gas production operations. Cryogenic processes involving compression and refrigeration are designed to separate ethane, propane, butane and natural gasoline from the produced gas stream. The remaining residue gas, containing primarily methane will be used as fuel or sold to offsite users.

The facility will be constructed on an existing and fully disturbed industrial site currently occupied by a warehouse and pipe storage yard and will encompass an estimated 16.71 acres. Construction is expected to occur for an approximately 14 months. The project site is currently designated in the Kern County 2004 General Plan as Limited Agriculture and is currently zoned as Limited Agriculture (A-1). Pursuant to Section 19.14.020(E) of the Zoning Ordinance of Kern County; gas exploration and production are a permitted use in Zone A-1. The core property in which the proposed gas plant will be located is zoned Limited Agriculture (A-1), which is consistent with the surrounding land use.

The District has conducted an Initial Study and determined that the proposed project would have a less than significant environmental effect as all work will be conducted in adherence to the 1995 Biological Opinion and Memorandum of Understanding (MOU) with the California Department of Fish & Game. These documents outline all necessary requirements for protecting listed species and their habitat. In addition, a qualified biologist conducted a preliminary site assessment of the proposed area and deemed the area not habitable for any listed species due to years of gravel layers being applied for dust control. Occidental will notify the Department of Fish and Game and the US Fish and Wildlife Service in the event a State or Federally listed species is encountered within the building envelope during active construction of the gas plant. Consistent with CEQA Guidelines §15064(f)(3), the District has prepared a Draft Negative Declaration for public review and comment.

B. PURPOSE AND AUTHORITY

The District has discretionary approval power over the project via its Permits Required Rule (Rule 2010) and New and Modified Stationary Source Review Rule (Rule 2201). No other Agency is known to have discretionary approval over the Project. As such, the District is the public agency having principal responsibility for approving the Project and serves as Lead Agency; California Environmental Quality Act (CEQA) Guidelines 15367.



CEQA requires each public agency to adopt objectives, criteria, and specific procedures consistent with CEQA Statutes and the CEQA Guidelines for administering its responsibilities under CEQA, including the orderly evaluation of projects and preparation of environmental documents. The District adopted its *Environmental Review Guidelines* (ERG) in 2001. The ERG was prepared to comply with this requirement and is an internal document used to comply with CEQA.

The basic purposes of CEQA are to:

- Inform governmental decision-makers and the public about the potential, significant environmental effects of proposed activities.
- Identify the ways that environmental damage can be avoided or significantly reduced.
- Prevent significant, avoidable damage to the environment by requiring changes in projects through use of alternatives or mitigation measures when the governmental agency finds the changes to be feasible.
- Disclose to the public the reasons why a governmental agency approved the project in the manner the agency chose if significant environmental effects are involved.

Under CEQA the Lead Agency is required to:

- Conduct preliminary reviews to determine if applications are subject to CEQA [CCR §15060].
- Conduct review to determine if projects are exempt from CEQA [CCR §15061].
- Prepare Initial Studies for projects that may have adverse environmental impacts [CCR §15063].
- Determine the significance of the environmental effects caused by the project [CCR §15064].
- Prepare Negative Declarations or Mitigated Negative Declarations for projects with no significant environmental impacts [CCR §15070].
- Prepare, or contract to prepare, EIRs for projects with significant environmental impacts [CCR §15081].
- Adopt reporting or monitoring programs for the changes made to projects or conditions of project approval, adopted in order to mitigate or avoid significant effects on the environment [PRC §21081.6 & CCR §15097].
- Comply with CEQA noticing and filing requirements.



C. PROJECT BACKGROUND INFORMATION

Project Description

Occidental is proposing to construct and operate a new cryogenic natural gas processing plant to be located at the existing Occidental gas plant, (Stationary Source S-2234). The new plant, which was previously discussed in the 1995 Biological Opinion conducted at Elk Hills, will be designed to process approximately 200 MMscfd of natural gas from crude oil and natural gas production operations. Cryogenic processes involving compression and refrigeration are designed to separate ethane, propane, butane and natural gasoline from the produced gas stream. The remaining residue gas, containing primarily methane will be used as fuel or sold to offsite users. The facility will be constructed on an existing and fully disturbed industrial site currently occupied by a warehouse and pipe storage yard and will encompass an estimated 16.71 acres. Construction is expected to occur for an approximately 14 months. All work will be conducted in adherence to the 1995 Biological Opinion and Memorandum of Understanding (MOU) with the California Department of Fish & Game. These documents outline all necessary requirements for protecting listed species and their habitat.

Project Location

The project is located in Kern County, California, which is the San Joaquin Valley Air Basin (SJVAB) (see Figure 1). The Cryogenic Gas Plant will be located in the existing gas plant source stationary source at the NW ¼ of Section 35, T30S/R23E. The plant will occupy approximately 16.71 acres.

The location of the gas plant and the boundaries of the “core property” included in the gas plant stationary source are shown below in Figure 1. The Elk Hills oil field comprises a contiguous area having a size of about 75 square miles. The location of the Plant within the NW ¼ of Section 35R is shown in Figure 2.

General Plan Designation and Zoning

The project site is currently designated in the Kern County 2004 General Plan as Limited Agriculture and is currently zoned as Limited Agriculture (A-1). Pursuant to Section 19.14.020(E) of the Zoning Ordinance of Kern County; gas exploration and production are a permitted use in Zone A-1.

Surrounding Land Uses and Setting

The 35R Cryogenic Gas Plant (or Cryo-Plant) will be located in the Occidental of Elk Hills Inc. gas plant source at the NW ¼ of Section 35, T30S/R23E. The core property in



which the proposed gas plant will be located is zoned Limited Agriculture (A-1), which is consistent with the surrounding land use.

The District has verified that the project is not within 1,000 feet of the outer boundary of any schools. Therefore, the public notification requirement of California Health and Safety Code 42301.6 is not applicable to the project.

Other Public Agencies Whose Approval Is Required

Kern County Planning Department

Grading permits and other applicable building permits from the Kern County Planning and Building Department will be acquired prior commencement of site work.

California Regional Water Quality Control Board (RWQCB)

This project will result in no waste or water discharge; hence no approvals from the California Regional Water Quality Control Board (RWQCB) will be required.

California Department of Transportation (Caltrans)

No encroachment permits are required from the California Department of Transportation (Caltrans).

California Department of Fish and Game (DFG)

No streambed or lake alterations will occur as a result of this project.

D. DECISION TO PREPARE A NEGATIVE DECLARATION

The District has considered the environmental effects of the project and has determined that the project will have a less than significant impact on the environment. Project design elements and conditions of project approval that reduce project related impacts on the environment would be enforced through District permit conditions and surrendering emission reduction credits.

Consistent with CEQA requirements, the District has prepared an Initial Study and determined that a Negative Declaration would be appropriate for the project.



Figure 1

Regional Location within the SJVAB

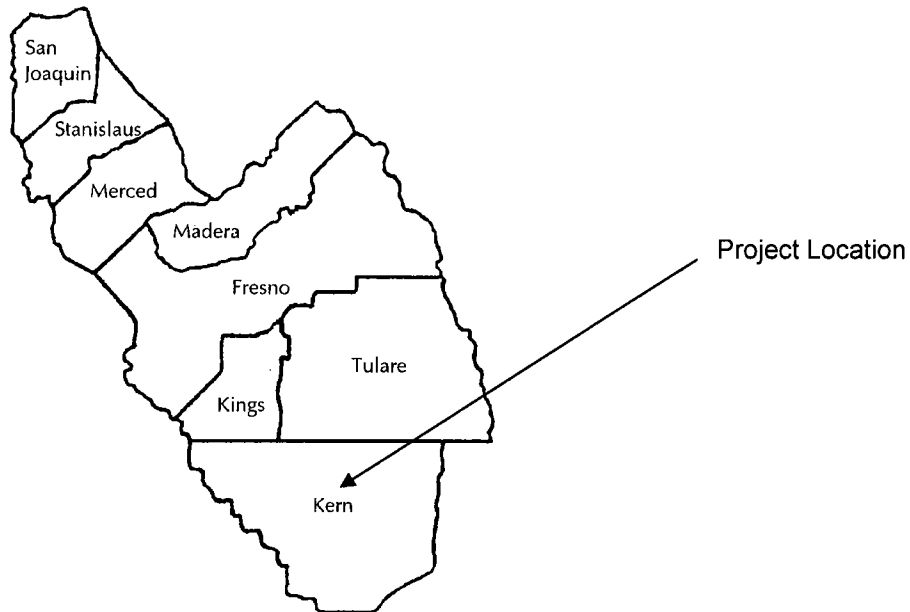


Figure 2

Project Site and Vicinity Map (General location of the new plant)

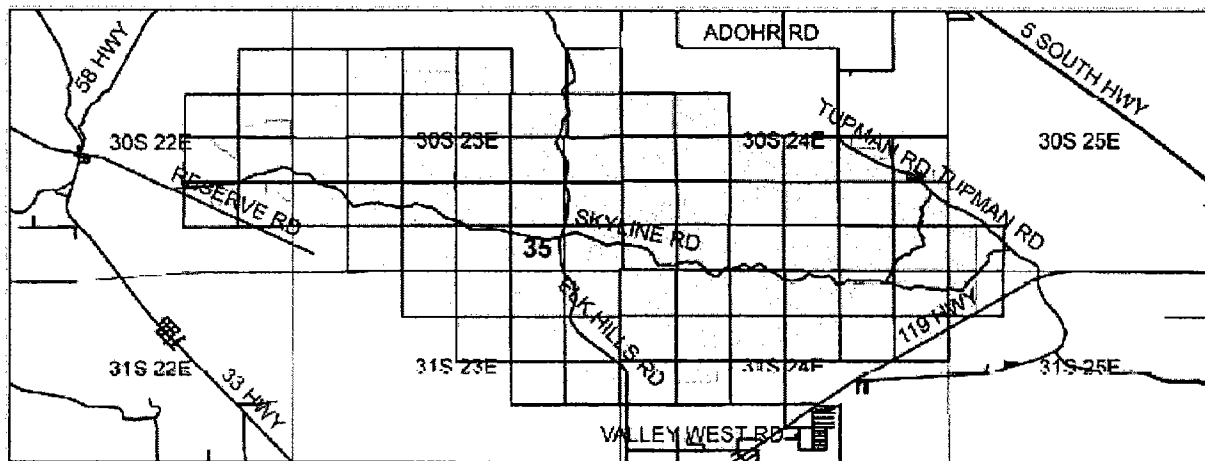
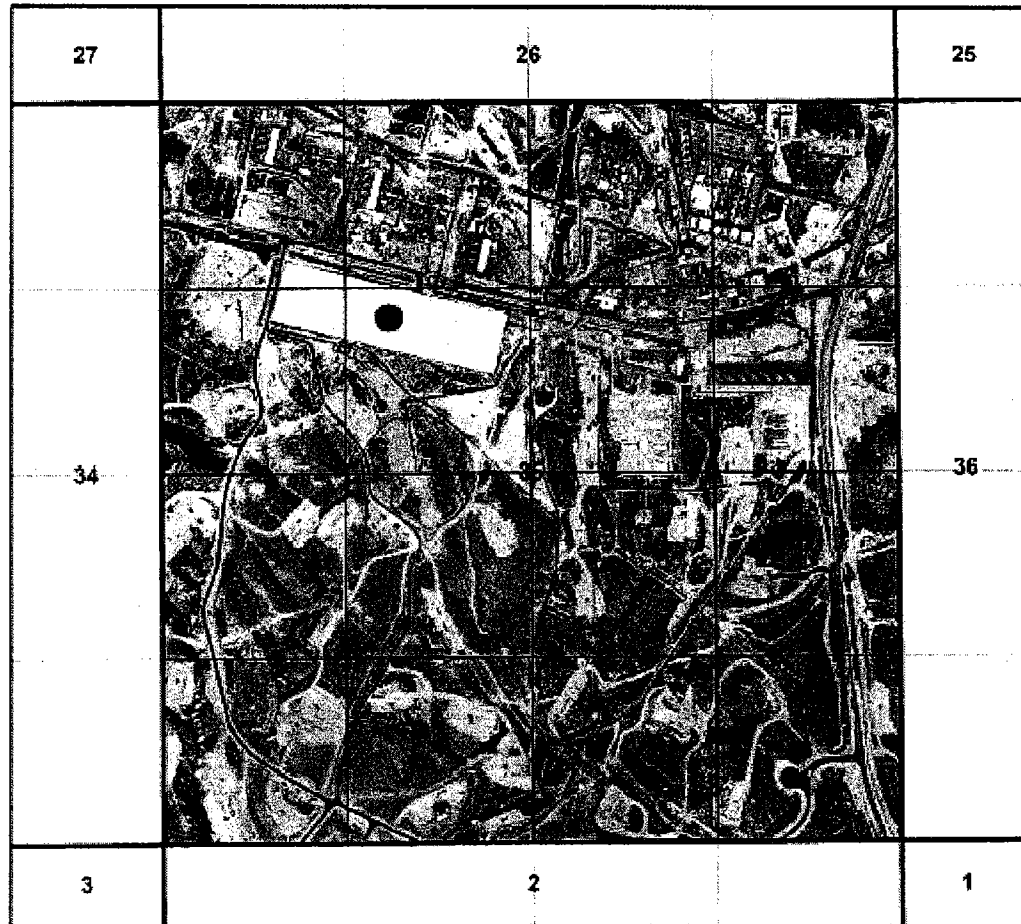




Figure 3

Project Site Map



E. ENVIRONMENTAL FACTORS POTENTIALLY AFFECTED

The environmental factors checked below would be potentially affected by the proposed Project, involving at least one impact that is a "Potentially Significant Impact" or "Potentially Significant Unless Mitigated", as indicated by the checklist on the following pages.




- | | | |
|--|---|---|
| <input type="checkbox"/> Aesthetics | <input type="checkbox"/> Agriculture Resources | <input type="checkbox"/> Air Quality |
| <input type="checkbox"/> Biological Resources | <input type="checkbox"/> Cultural Resources | <input type="checkbox"/> Geology/Soils |
| <input type="checkbox"/> Hazards & Hazardous Materials | <input type="checkbox"/> Hydrology/Water Quality | <input type="checkbox"/> Land Use/Planning |
| <input type="checkbox"/> Mineral Resources | <input type="checkbox"/> Noise | <input type="checkbox"/> Population/Housing |
| <input type="checkbox"/> Public Services | <input type="checkbox"/> Recreation | <input type="checkbox"/> Transportation/Traffic |
| <input type="checkbox"/> Utilities/Service Systems | <input type="checkbox"/> Mandatory Findings of Significance | |

F. DETERMINATION

I certify that the project was independently reviewed and analyzed and that this document reflects the independent judgment of the District.

- I find that the proposed project COULD NOT have a significant effect on the environment, and a NEGATIVE DECLARATION will be prepared.
- I find that although the proposed project could have a significant effect on the environment, there will not be a significant effect in this case because the mitigation measures described on an attached sheet have been added to the project. A MITIGATED NEGATIVE DECLARATION has been prepared.
- I find that the proposed project MAY have a significant effect on the environment, and an ENVIRONMENTAL IMPACT REPORT is required.
- I find that the proposed project MAY have a significant effect(s) on the environment, but at least one effect 1) has been adequately analyzed in an earlier document pursuant to applicable legal standards, and 2) has been addressed by mitigation measures based on the earlier analysis as described on attached sheets, if the effect is a "potentially significant impact" or "potentially significant unless mitigated." An ENVIRONMENTAL IMPACT REPORT is required, but it must analyze only the effects that remain to be addressed.

Signature: 

Date: DEC 01 2010

Printed name: David Warner, Director of Permit Services



G. ENVIRONMENTAL IMPACT CHECKLIST

I. AESTHETICS <u>Would the Project</u>	Potentially Significant Impact	Potentially Significant Impact Unless Mitigated	Less Than Significant Impact	No Impact
a) Have a substantial adverse effect on a scenic vista?				X
b) Substantially damage scenic resources, including, but not limited to, trees, rock outcropping, and historic buildings within a state scenic highway?				X
c) Substantially degrade the existing visual character or quality of the site and its surrounding?			X	
d) Create a new source of substantial light or glare which would adversely affect day or nighttime views in the area			X	

a) Have a substantial adverse effect on a scenic vista?

No Impact. The project will be located on property currently occupied by a warehouse and pipe storage area. This location is within the existing boundaries of the Occidental oil field as shown in Figure 1 and is consistent with the current and surrounding land use. Furthermore, the project site is already developed, is not within a scenic vista, and is not visible from a scenic highway. Thus, no impacts in this regard would occur.

b) Substantially damage scenic resources, including, but not limited to, trees, rock outcroppings, and historic buildings within a state scenic highway?

No Impact. The project will be located on property currently occupied by a warehouse and pipe storage area. This location is within the existing boundaries of the Occidental oil field as shown in Figure 1 and is consistent with the current and surrounding land use. Furthermore, the project site is already developed for industrial use and thus contains no scenic resources such as rock outcroppings, trees, or historic buildings. Thus, no impacts in this regard would occur.

c) Substantially degrade the existing visual character or quality of the site and its surrounding?

Less than Significant Impact. The project will be located on property currently occupied by a warehouse and pipe storage area. This location is within the existing boundaries of the Occidental oil field as shown in Figure 1 and is consistent with the



current and surrounding land use. Furthermore, the project site is already developed for industrial use. Thus, impacts are expected to be less than significant.

d) *Create a new source of substantial light or glare which would adversely affect day or nighttime views in the area?*

Less than Significant Impact. The project will be located on property currently occupied by a warehouse and pipe storage area. This location is within the existing boundaries of the Occidental oil field as shown in Figure 1 and is consistent with the current and surrounding land use. Furthermore, the project site is already developed for industrial use and there are light sources for the existing warehouse and the pipe storage area. The new gas plant would possibly involve some additional light from exterior sources (i.e., street lighting, building illumination, security lighting, and landscape lighting). However, the project will be located at an existing industrial site in the middle of the Elk Hills Oilfield. The nearest residential center is located in Dustin Acres, 6.38 miles southeast of this project. Thus, impacts from light and glare are expected to be less than significant.



II. AGRICULTURAL RESOURCES In determining whether impacts to agricultural resources are significant environmental effects, lead agencies may refer to the California Agricultural Land Evaluation and Site Assessment Model (1997) prepared by the California Dept. of Conservation as an optional model to use in assessing impacts on agriculture and farmland. In determining whether impacts to forest resources, including timberland, are significant environmental effects, lead agencies may refer to information compiled by the California Department of Forestry and Fire Protection regarding the state's inventory of forest land, including the Forest and Range Assessment Project and the Forest Legacy Assessment project; and forest carbon measures methodology provided in the Forest Protocols adopted by the California Air Resources Board. Would the Project	Potentially Significant Impact	Potentially Significant Impact Unless Mitigated	Less Than Significant Impact	No Impact
a) Convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland), as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to non-agricultural use?				X
b) Conflict with existing zoning for agricultural use, or a Williamson Act contract?				X
c) Conflict with existing zoning for, or cause rezoning of, forest land (as defined in Public Resources Code section 12220(g)), timberland (as defined by Public Resources Code section 4526), or timberland zoned Timberland Production (as defined by Government Code section 51104(g))?				X
d) Result in the loss of forest land or conversion of forest land to non-forest use?				X
e) Involve other changes in the existing environment which, due to their location or nature, could result in conversion of Farmland, to non-agricultural use or conversion of forest land to non-forest use?				X

a) Convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland), as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to non-agricultural use?

No Impact. The land is zoned limited agricultural and Kern County Zoning Ordinance allows for the exploration and production of gas. This project will occur



within the existing oil field boundaries of the Occidental of Elk Hills, Inc. and is an allowed use. Thus, this project will not result in farmland related impacts.

b) Conflict with existing zoning for agricultural use, or a Williamson Act contract?

No Impact. This project is consistent with the current use of the land. The site is zoned A-1 Limited Agriculture and the zoning allows for the exploration and production of gas. Thus, this project will not result in farmland related impacts.

c-e) Conflict with existing zoning for, or cause rezoning of, forest land (as defined in Public Resources Code section 12220(g)), timberland (as defined by Public Resources Code section 4526), or timberland zoned Timberland Production (as defined by Government Code section 51104(g))? Result in the loss of forest land or conversion of forest land to non-forest use? Involve other changes in the existing environment which, due to their location or nature, could result in conversion of Farmland, to non-agricultural use or conversion of forest land to non-forest use?

No Impact. The project will be located on property currently occupied by a warehouse and pipe storage area. This location is within the existing boundaries of the Occidental oil field as shown in Figure 1 and is consistent with the current and surrounding land use. The site is zoned A-1 Limited Agriculture and the zoning allows for the exploration and production of gas. Thus, no impacts in these regards would occur.



III. AIR QUALITY Where available, the significance criteria established by the applicable air quality management or air pollution control district may be relied upon to make the following determinations. Would the Project	Potentially Significant Impact	Potentially Significant Impact Unless Mitigated	Less Than Significant Impact	No Impact
a) Conflict with or obstruct implementation of the applicable air quality plan?			X	
b) Violate any air quality standard or contribute substantially to an existing or Projected air quality violation?			X	
c) Result in a cumulatively considerable net increase of any criteria pollutant for which the Project region is non-attainment under an applicable federal or state ambient air quality standard (including releasing emissions which exceed quantitative thresholds for ozone precursors)?			X	
d) Expose sensitive receptors to substantial pollutant concentrations?			X	
e) Create objectionable odors affecting a substantial number of people?				X

Project Details

Occidental is proposing to construct and operate a new cryogenic natural gas processing plant to be located at the existing Occidental gas plant, (Stationary Source S-2234). The new plant will be designed to process approximately 200 MMscfd of natural gas from crude oil and natural gas production operations. The facility will be constructed on an existing industrial site, currently occupied by a warehouse and pipe storage yard and will encompass an estimated 16.71 acres. Construction is expected to occur for an approximately 14 months. The District has conducted an engineering evaluation, and a project emissions analysis using URBEMIS 2007 version 9.2.4., both incorporated herein by reference. As presented below, the analysis demonstrates that construction and operational emissions will be below the District's thresholds of significance for criteria pollutants. The District concludes that as a result of project design elements, District permit requirements and surrendering emission reduction credits, project related impacts on air quality will be reduced to less than significant.

Construction Impacts:

Construction related emissions occur during site preparation and construction of processing equipment necessary to implement and operate a cryogenic natural gas processing plant. The industrial facility is estimated to encompass 16.71 acre and construction is expected to occur for approximately 14 months. Only Fine grading would be necessary because the project will be located on a site previously occupied by



an existing warehouse and pipe storage site. Stored pipes would be moved to another storage area. The warehouse will temporarily serve as a construction headquarters and will be demolished in the third or fourth quarter of 2011.

It is estimated that construction would start in the fourth quarter of 2010 with operation starting in the first quarter of 2012. The types of equipment and operating hours were estimated for the construction and demolition activities. Both fugitive dust and construction exhaust impacts were considered. As presented in Table 1, construction impacts would be less than significant.

Operational Impacts:

Employees at the existing Occidental of Elk Hills, Inc. gas plant will be reassigned to man this project as needed. It is projected that the project would require six employees (two employees per shift per day for around the clock coverage). The finished products will be delivered via pipes to existing product pipelines for custody transfer. Therefore, operation of the project is not expected to increase in existing mobile source emissions.

The District has established Thresholds of Significance for determining whether project emissions would have a significant adverse impact on air quality. The District has established a 10-ton per year Threshold of Significance for ROG, which includes emissions of VOC, a 10-ton per year Threshold of Significance for NOx, and a 15-ton per year Threshold of Significance for PM10. The District's engineering evaluation, as summarized in Table 1, demonstrates that criteria pollutant emissions associated with the project fall below the District's Thresholds of Significance and thus, will not have a significant impact on air quality.

Table 1. Estimated Project Emissions

Project Emissions	ROG (tons/year)	NOx (tons/year)	PM ₁₀ * (tons/year)
Construction Year 2010	0.19	1.70	2.14
Construction Year 2011	1.01	8.45	1.64
Area and Operational	0.90	0.05	0.02
Stationary Sources	7.63	6.22	7.53
Significance Threshold	10.00	10.00	15.00
<i>Exceeds Threshold?</i>	No	No	No
<i>Offset Requirements</i>	10.33	9.32	9.79

* Total PM₁₀



a) *Conflict with or obstruct implementation of the applicable air quality plan?*

Less than Significant Impact. The District's permitting program for stationary sources requires the installation of Best Available Control Technology (BACT) to minimize emissions at the project site. For this project, BACT will be implemented and the facility is required to provide emission offsets for emissions in excess of the threshold. Occidental (Stationary Source S-2234) is an existing Major Source, and as such is required to fully offset emissions in excess of the Major Source thresholds. A Major source is a stationary source with post-project emissions that are equal to or exceed the thresholds per Rule 2201 (New and Modified Stationary Source Review). As summarized in Table 1, project related emissions of criteria pollutants would be below the District thresholds of significance and stationary source emissions would be fully offset through surrendering emission reduction credits. Therefore, through a combination of project design elements, permit conditions, and surrendering emission reduction credits, impacts on air quality would be less than significant.

b) *Violate any air quality standard or contribute substantially to an existing or projected air quality violation?*

Less than Significant Impact. The project has the potential to contribute to the possible violation of an existing air quality standard or an existing or projected air quality violation. However, as discussed above, the project emissions are below District's thresholds of significance. The installation of this natural gas processing plant requires the issuance of an Authority to Construct (ATC) and Permit to Operate in compliance with Rule 2201. BACT will be used on the project's equipment and the facility is required to provide emission offsets for emissions in excess of the threshold. Therefore, through a combination of project design elements, permit conditions, and surrendering emission reduction credits, impacts on air quality would be less than significant.

c) *Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable federal or state ambient air quality standard (including releasing emissions which exceed quantitative thresholds for ozone precursors)?*

Less than Significant Impact. As discussed above, the project emissions are below District's thresholds of significance. The installation of this natural gas processing plant requires the issuance of an Authority to Construct (ATC) and Permit to Operate in compliance with Rule 2201. BACT will be used on the project's equipment and the facility is required to provide emission offsets for emissions in excess of the threshold. Therefore, through a combination of project design elements, permit conditions, and surrendering emission reduction credits, impacts on air quality would be less than significant.



The SJVAPCD thresholds are the same for the consideration of both project specific impacts and cumulatively considerable impacts. According to the Guide for Assessing and Mitigating Air Quality (GAMAQI), any project that would individually have a significant air impact would also be considered to have a significant cumulative air quality impact. The analyses demonstrate that project specific emissions are below the District thresholds of significance at a project specific level. Therefore, the project would have a less than cumulatively significant impact.

d) *Expose sensitive receptors to substantial pollutant concentrations?*

Less than Significant Impact. The District performed a Risk Management Review (RMR) analysis to determine possible health impacts from the project's permitted stationary source emissions on the nearest sensitive receptors. The closest residential receptor is located in Dustin Acres, 6.38 miles southeast of this project. Results of an RMR are given as prioritization scores. If a prioritization score is less than 1.0 a Health Risk Assessment (HRA) is not required for the project. As demonstrated in the engineering evaluation incorporated herein, the prioritization score for this project is less than 1.0. Therefore, an HRA was not required and health impacts are expected to be less than significant.

e) *Create objectionable odors affecting a substantial number of people?*

No Impact. The air contaminants which may be emitted at the project have no known objectionable odors associated with stationary source operations. Diesel exhaust from construction activities may generate odors. However, they would be temporary in nature and would unlikely affect a substantial number of people. The closest residential center is located in Dustin Acres, 6.38 miles southeast of this project. The District concludes that there is no substantial evidence of record to support a conclusion that the project would create objectionable odors affecting a substantial number of people.



IV. BIOLOGICAL RESOURCES Would the Project:	Potentially Significant Impact	Potentially Significant Impact Unless Mitigated	Less Than Significant Impact	No Impact
a) Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service?				X
b) Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, and regulations, or by the California Department of Fish and Game or US Fish and Wildlife Service?				X
c) Have a substantial adverse effect on federally protected wetlands as defined by Section 404 of the Clean Water Act (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means?				X
d) Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites?				X
e) Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance?				X
f) Conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan?				X

a) Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service?

No Impact. The project will be located on property currently occupied by a warehouse and pipe storage area. The project site is in an area that has historically been used for oil production (within the Occidental of Elk oil field) and is already developed for industrial use. The District concludes that there is no substantial evidence of record to support a conclusion that construction and operation of the project would disturb any endangered species habitat.



- b) *Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, regulations or by the California Department of Fish and Game or US Fish and Wildlife Service?***

No Impact. The project will be located on property currently occupied by a warehouse and pipe storage area. The project site is in an area that has historically been used for oil production (within the Occidental of Elk oil field) and is already developed for industrial use. The District concludes that there is no substantial evidence of record to support a conclusion that construction and operation of the project would impact riparian habitat or other sensitive natural communities in the project area.

- c) *Have a substantial adverse effect on federally protected wetlands as defined by Section 404 of the Clean Water Act (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means?***

No Impact. The project will be located on property currently occupied by a warehouse and pipe storage area. The project site is in an area that has historically been used for oil production (within the Occidental of Elk oil field) and is already developed for industrial use. The District concludes that there is no substantial evidence of record to support a conclusion that construction and operation of the project would impact federally protected wetlands.

- d) *Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites?***

No Impact. The project will be located on property currently occupied by a warehouse and pipe storage area. The project site is in an area that has historically been used for oil production (within the Occidental of Elk oil field) and is already developed for industrial use. The District concludes that there is no substantial evidence of record to support a conclusion that construction and operation of the project would impact movement of any native resident or migratory fish or wildlife species, corridors, or nursery sites.

- e) *Conflict with any local applicable policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance?***

No Impact. The project will be located on property currently occupied by a warehouse and pipe storage area. The project site is in an area that has historically been used for oil production (within the Occidental of Elk oil field) and is already



developed for industrial use. The District concludes that there is no substantial evidence of record to support a conclusion that construction and operation of the project would conflict with any local policies or ordinances protecting biological resources.

f) Conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan?

No Impact. The project will be located on property currently occupied by a warehouse and pipe storage area. The project site is in an area that has historically been used for oil production (within the Occidental of Elk oil field) and is already developed for industrial use. The project site is not located within the boundaries of any Habitat Conservation Plans (HCP), Multiple Species Habitat Conservation Plans (MSHCP) or National Community Conservation Plans (NCCPS). The site is not located within any United States Fish and Wildlife Service (USFWS) designated critical habitat. No impacts in this regard would occur.

V. CULTURAL RESOURCES Would the Project:	Potentially Significant Impact	Potentially Significant Impact Unless Mitigated	Less Than Significant Impact	No Impact
a) Cause a substantial adverse change in the significance of a historical resource as defined in '15064.5?				X
b) Cause a substantial adverse change in the significance of an archaeological resource pursuant to '15064.5?				X
c) Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature?				X
d) Disturb any human remains, including those interred outside of formal cemeteries?				X

a) Cause a substantial adverse change in the significance of a historical resource as defined in §15064.5?

No Impact. The project will be located on property currently occupied by a warehouse and pipe storage area. The project site is in an area that has historically been used for oil production (within the Occidental of Elk oil field) and is already developed for industrial use. The District concludes that there is no substantial evidence of record to support a conclusion that construction and operation of the project would impact any historical resource.



b) Cause a substantial adverse change in the significance of an archaeological resource pursuant to §15064.5?

No Impact. The project will be located on property currently occupied by a warehouse and pipe storage area. The project site is in an area that has historically been used for oil production (within the Occidental of Elk oil field) and is already developed for industrial use. The District concludes that there is no substantial evidence of record to support a conclusion that construction and operation of the project would impact any archaeological resources.

c) Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature?

No Impact. The project will be located on property currently occupied by a warehouse and pipe storage area. The project site is in an area that has historically been used for oil production (within the Occidental of Elk oil field) and is already developed for industrial use. The District concludes that there is no substantial evidence of record to support a conclusion that construction and operation of the project would impact any paleontological or geologic resources.

d) Disturb any human remains, including those interred outside of formal cemeteries?

No Impact. The project will be located on property currently occupied by a warehouse and pipe storage area. The project site is in an area that has historically been used for oil production (within the Occidental of Elk oil field) and is already developed for industrial use. The District concludes that there is no substantial evidence of record to support a conclusion that construction and operation of the project would impact any human remains.



VI. GEOLOGY / SOILS Would the Project	Potentially Significant Impact	Potentially Significant Impact Unless Mitigated	Less Than Significant Impact	No Impact
a) Expose people or structures to potential substantial adverse effects, including the risk of loss, injury, or death involving:	-	-	-	-
i) Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault? Refer to Division of Mines and Geology Special Publication 42.			X	
ii) Strong seismic ground shaking?			X	
iii) Seismic-related ground failure, including liquefaction?				X
iv) Landslides?				X
b) Result in substantial soil erosion or the loss of topsoil?			X	
c) Be located on a geologic unit or soil that is unstable, or that would become unstable as a result of the Project, and potentially result in on- or off-site landslide, lateral spreading, subsidence, liquefaction or collapse?				X
d) Be located on expansive soil, as defined in Table 18-1-B of the Uniform Building Code (1994), creating substantial risks to life or property?				X
e) Have soils incapable of adequately supporting the use of septic tanks or alternative wastewater disposal systems where sewers are not available for the disposal of wastewater?				X

a) Expose people or structures to potential substantial adverse effects, including the risk of loss, injury, or death involving:

- i) *Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault? Refer to Division of Mines and Geology Special Publication 42.*

Less Than Significant Impact. The potential for extensive surface rupture is considered minimal since no known earthquake faults are in the project area.



Active or potentially active faults are located within the southern San Joaquin Valley region. It is unlikely that ground rupture would occur at the project site because it is not located within an Alquist-Priolo Earthquake Fault Zone or within 500 feet of known active fault trace. No impacts in this regard would occur.

ii) Strong seismic ground shaking?

Less Than Significant Impact. Although this project is not located near active or potentially active faults, any impacts could potentially induce ground shaking but is unlikely to occur at the project site. However, compliance with California seismic design requirements would ensure that the project site would not expose persons or property to strong seismic ground shaking hazards. Thus, impacts are expected to less than significant.

iii) Seismic-related ground failure, including liquefaction?

No impact. The project is not located in a liquefaction hazard area. Compliance with California seismic design requirements would ensure the project site would not expose persons or property to liquefaction hazards. No impacts in this regard would occur.

iv) Landslides?

No Impact. This project will not result in landslides. The project will be located within the existing Occidental of Elk Hills Inc. gas plant where the site currently contains a warehouse and a pipe storage area. Due to the relatively flat nature of the project site and the lack of nearby steep slopes, the potential for rock falls or landslides to impact the site in the event of an earthquake is very minimal. No impacts in this regard would occur.

b) Result in substantial soil erosion or the loss of topsoil?

Less Than Significant Impact. Construction of the project would not involve ground-disturbing activities that could potentially create erosion, nor will it result in substantial loss of topsoil. The current site is already in use for a warehouse and a pipe storage area. No mass grading will be required. In addition, all grading and groundwork will be performed in accordance with Kern County Planning and Building Department requirements. No impacts in this regard would occur.



- c) *Be located on a geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in on- or off-site landslide, lateral spreading, subsidence, liquefaction or collapse?***

No Impact. The project will be located on property currently occupied by a warehouse and pipe storage area. The project is not located on an unstable geologic unit or soil. In addition, the project is designed in accordance with all building code requirements including those pertaining to excavations, grading, and foundations. Adherence to building code requirements would further reduce potential risks to life and property from unstable geologic units or soils. Impacts in this regard would be less than significant.

- d) *Be located on expansive soil, as defined in Table 18-1-B of the Uniform Building Code (1994), creating substantial risks to life or property?***

No Impact. The project is not located on expansive soil. It will be located on property currently occupied by a warehouse and pipe storage area. The project site is in an area that has historically been used for oil production (within the Occidental of Elk oil field). The project will adhere to the grading and foundation requirements of the California Buildings Standards Code (CBSC). These requirements set forth soil engineering standards that ensure building foundations are adequately supported. Adherence to CBSC standards would ensure that persons and structures are not exposed to hazards from shrinking and swelling of soils. No impacts in this regard would occur.

- e) *Have soils incapable of adequately supporting the use of septic tanks or alternative wastewater disposal systems where sewers are not available for the disposal of wastewater?***

No Impact. This project involves natural gas processing and will not require septic tanks or wastewater disposal systems. This project will include several small drain tanks and a "produced water tank" that will receive liquids from several processing points within the plant. The produced water tank will be served by a tank vapor recovery system and the vapors recovered from the tank will be routed to the gas plant intake system or the field gas collection system. Thus, no impacts in this regard would occur.



VII. GREENHOUSE GAS EMISSIONS Would the Project:	Potentially Significant Impact	Potentially Significant Impact Unless Mitigated	Less Than Significant Impact	No Impact
a) Generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment?			X	
b) Conflict with an applicable plan, policy, or regulation adopted for the purpose of reducing the emissions of greenhouse gases?			X	

a) Generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment?

Less Than Significant Impact. Assembly Bill (AB) 32 was adopted establishing a cap on statewide greenhouse gas emissions and sets forth the regulatory framework to achieve the corresponding reduction in statewide emissions levels. In executing its legislative mandate under AB32, the California Air Resources Board (CARB) developed a Scoping Plan. The Scoping Plan contains the main strategies California will use to reduce greenhouse gases (GHG) from Business-as-Usual (BAU) emissions projected from 2020 levels back down to 1990 levels. Business-as-Usual is the projected emissions in 2020 from the 2002-2004 baseline year, including increases in emissions caused by growth, without any greenhouse gas reduction measures. CARB determined that a 29% reduction from BAU is necessary to achieve the 1990 GHG emissions level.

On December 17, 2009, the District adopted the policy “*District Policy – Addressing GHG Emission Impacts for Stationary Source Projects Under CEQA When Serving as the Lead Agency*”. The policy was developed to assist Lead Agencies, project proponents, permit applicants, and interested parties in assessing and reducing the impacts of project specific GHG emissions on global climate change.

The approach in the policy relies on the use of Best Performance Standard (BPS) that would be applicable to projects that result in increased GHG emissions. Use of BPS is a method of streamlining the CEQA process of determining significance and is not a required emission reduction measure. Projects implementing BPS would be determined to have a less than cumulatively significant impact. Otherwise, demonstration of a 29 percent reduction in GHG emissions, from business-as-usual (BAU), is required to determine that a project would have a less than cumulatively significant impact consistent with GHG emission reduction targets established in the Air Resources Board’s AB 32 Scoping Plan.



For this project, a relatively small amount of greenhouse gas (GHG) emissions will result from activities related to the project. Large gas processing plants typically emit large amounts of GHG from fuel combustion in equipment required for compression, and the flaring of waste gas recovered from gas treating systems. However, the project is designed to eliminate most of the GHG emissions from these processing activities. Compression required for processing natural gas will be provided using high efficiency electric compressors. Use of the electric compressors will significantly reduce GHG emissions. Furthermore, the project will be designed to eliminate the need for process flaring. Instead waste gas streams will be compressed and injected into the production strata to help maintain reservoir pressure. In summary, the project design involves the use of electric compressors, the injection of the waste gas and the injection of ethane which would result in large reductions in GHG emissions compared to a Business-as-Usual design facility.

The long-term reductions achieved by the design of the project relative to the BAU design facility are expected to result in a 73% reduction in GHG emissions or about 584,000 metric tons of CO₂ each year, throughout the life of the project. The long-term reductions in GHG emissions brought about by the design of the proposed project render the short-term effects of construction related GHG emissions to less than significant. Therefore, impacts are expected to less than significant.

b) Conflict with an applicable plan, policy, or regulation adopted for the purpose of reducing the emissions of greenhouse gases?

Less Than Significant Impact. The County of Kern has not adopted a greenhouse gas Climate Action Plan yet but this project will not conflict with the goals and policies of the Kern County General Plan, and local ordinances. As discussed above, the project would also not interfere with the implementation of AB 32 because it would be consistent with the GHG emission reduction targets identified by CARB in their AB32 Scoping Plan. The project achieves BAU GHG emissions reduction greater than the 29% targeted reduction goal. This project will not conflict with District's policy for addressing GHG impacts nor with any other applicable plans, policies, or regulations. As such, impacts from GHG emissions are considered less than significant.



VIII. HAZARDS & HAZARDOUS MATERIALS Would the Project:	Potentially Significant Impact	Potentially Significant Impact Unless Mitigated	Less Than Significant Impact	No Impact
a) Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials?			X	
b) Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment?			X	
c) Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school?				X
d) Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, would it create a significant hazard to the public or the environment?				X
e) For a Project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the Project result in a safety hazard for people residing or working in the Project area?				X
f) For a Project within the vicinity of a private airstrip, would the Project result in a safety hazard for people residing or working in the Project area?				X
g) Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan?				X
h) Expose people or structures to a significant risk of loss, injury or death involving wildland fires, including where wildlands are adjacent to urbanized areas or where residences are intermixed with wildlands?				X

a) Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials?

Less Than Significant Impact: The project will be designed to process natural gas from crude oil and natural gas production operations by the Occidental of Elk Hills



Inc. Dry, sweet residue gas, propane, and natural gas liquids from the project will be delivered to existing pipelines for use as fuel or for custody transfer.

The U.S. Department of Transportation (DOT), Office of Pipeline Safety (OPS) regulates the safety of gas transmission pipelines. All gas pipeline projects delivering gas through a distribution system must be designed and constructed to meet or exceed the Federal safety standards established in 49 Code of Federal Regulations (CFR) Part 192. These regulations include specific standards for material selection and qualification, design requirements, protection from internal, external, and atmospheric corrosion, and worker training, safety, and qualifications specific to the location of the pipeline relative to population densities. Adhering to these guidelines and requirements will ensure that no significant hazard will be created to the public or the environment. Thus, impacts are expected to less than significant.

b) Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment?

Less than Significant Impact. Compliance with existing safety standards in the construction and long-term operation of the system is expected to minimize the hazard to the public and the environment. Construction in compliance with state building codes applicable to the installation of natural gas infrastructure reduces this impact. Occupational safety standards exist in Federal and State laws to minimize worker safety risks from both physical and chemical hazards in the workplace. The California Division of Occupational Safety and Health (Cal/OSHA) is responsible for developing and enforcing workplace safety standards and assuring worker safety in the handling and use of hazardous materials. Among other requirements, Cal/OSHA obligates many businesses to prepare Injury and Illness Prevention Plans and Chemical Hygiene Plans. The Hazard Communication Standard requires that workers be informed of the hazards associated with the materials they handle. Thus, impacts are expected to less than significant.

c) Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school?

No Impact. This project will not be located within one-quarter mile of an existing or proposed school. This project site will occupy approximately 16.71 acres and will be in an area that has historically been used for oil production (within the Occidental of Elk oil field). The Elk Hills oil field comprises a contiguous area having a size of about 75 square miles. Thus, there would be no impact.



- d) *Be located on a site which is included on a list of hazardous materials lists compiled pursuant to Government Code Section 65962.5 and, as a result, would it create a significant hazard to the public or the environment?***

No Impact: The project will be located on property currently occupied by a warehouse and pipe storage area. The project site is in an area that has historically been used for oil production (within the Occidental of Elk oil field). This project is not located on a site which meets this definition (Department of Toxic Substances Control website 2007). No impacts in this regard would occur.

- e) *For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project result in a safety hazard for people residing or working in the project area?***

No Impact: The project site is in an area that has historically been used for oil production (within the Occidental of Elk oil field). This project is not located within two miles or near a public airport or public use airport or within an airport land use plan. The nearest airport is the Airport Elk Hills-Buttonwillow and the nearest residential center is Dustin Acres, approximately 6.38 miles southeast of the project. No impacts in this regard would occur.

- f) *For a project within the vicinity of a private airstrip, would the project result in a safety hazard for people residing or working the project area?***

No Impact. The project site is in an area that has historically been used for oil production (within the Occidental of Elk oil field). This project is not in the vicinity of a private airstrip. Thus, there would be no impact.

- g) *Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan?***

No Impact. The project will be located on property currently occupied by a warehouse and pipe storage area. The project site is in an area that has historically been used for oil production (within the Occidental of Elk oil field). The project would not require any physical alterations to existing public or private roadways that would impair or interfere with emergency response or evacuation. This project is consistent with current and surrounding land use and will be incorporated in the field's current emergency response and emergency evacuation plans. No impacts in this regard would occur.



h) Expose people or structures to a significant risk of loss, injury or death involving wildland fires, including where wildlands are adjacent to urbanized areas or where residences are intermixed with wildlands?

No Impact. The project will be located on property currently occupied by a warehouse and pipe storage area. The project site is in an area that has historically been used for oil production (within the Occidental of Elk oil field) and is consistent with the current and surrounding land use. The Elk Hills oil field comprises a contiguous area having a size of about 75 square miles. No wildlands are within close proximity of the project.

IX. HYDROLOGY / WATER QUALITY Would the Project:	Potentially Significant Impact	Potentially Significant Impact Unless Mitigated	Less Than Significant Impact	No Impact
a) Violate any water quality standards or waste discharge requirements?				X
b) Substantially deplete groundwater supplies or interfere substantially with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater table level (e.g., the production rate of pre-existing nearby wells would drop to a level which would not support existing land uses or planned uses for which permits have been granted)?				X
c) Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, in a manner, which would result in substantial erosion or siltation on- or off-site?				X
d) Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, or substantially increase the rate or amount of surface runoff in a manner which would result in flooding on- or off-site?				X
e) Create or contribute runoff water which would exceed the capacity of existing or planned storm water drainage systems or provide substantial additional sources of polluted runoff?				X
f) Otherwise substantially degrade water quality?				X
g) Place housing within a 100-year flood hazard area as mapped on a federal Flood Hazard Boundary or Flood Insurance Rate Map or other flood hazard delineation map?				X



h) Place within a 100-year flood hazard area structures which would impede or redirect flood flows?				X
i) Expose people or structures to a significant risk of loss, injury or death involving flooding, including flooding as a result of the failure of a levee or dam?				X
j) Inundation by seiche, tsunami, or mudflow				X

a) Violate any water quality standards or waste discharge requirements?

No Impact. This project involves natural gas processing and will not require septic tanks or wastewater disposal systems. This project will include several small drain tanks and a “produced water tank” that will receive liquids from several processing points within the plant. The produced water tank will be served by a tank vapor recovery system and the vapors recovered from the tank will be routed to the gas plant intake system or the field gas collection system. This project involves natural gas processing and does not utilize groundwater or groundwater recharge.

b) Substantially deplete groundwater supplies or interfere substantially with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater table level (e.g., the production rate of pre-existing nearby wells would drop to a level which would not support existing land uses or planned uses for which permits have been granted)?

No Impact. This project involves natural gas processing and does not utilize groundwater or groundwater recharge.

c) Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, in a manner which would result in substantial erosion or siltation on- or off-site?

No Impact. The project will be located on property currently occupied by a warehouse and pipe storage area. The project site is in an area that has historically been used for oil production (within the Occidental of Elk oil field). This project does not alter the existing drainage pattern of the area and does not alter any streams, rivers, or any other waterways.



- d) *Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, or substantially increase the rate or amount of surface runoff in a manner which would result in flooding on- or off-site?***

No Impact. The project will be located on property currently occupied by a warehouse and pipe storage area. The project site is in an area that has historically been used for oil production (within the Occidental of Elk oil field). This project does not alter the existing drainage pattern of the area and does not alter any streams, rivers, or any other waterways. It would not introduce any new flood hazard and would not necessitate any new flood control projects.

- e) *Create or contribute runoff water which would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff?***

No Impact. The project will be located on property currently occupied by a warehouse and pipe storage area. The project site is in an area that has historically been used for oil production (within the Occidental of Elk oil field) and is already developed for industrial use. Precipitation at the project site is rarely sufficient to cause runoff and it is not likely that storm water will leave the property.

- f) *Otherwise substantially degrade water quality?***

No Impact: The project will be located on property currently occupied by a warehouse and pipe storage area. The project site is in an area that has historically been used for oil production (within the Occidental of Elk oil field) and is already developed for industrial use. Precipitation at the project site is rarely sufficient to cause runoff and it is not likely that storm water will leave the property. This project does not utilize groundwater or groundwater recharge.

- g) *Place housing within a 100-year flood hazard area as mapped on a federal Flood Hazard Boundary or Flood Insurance Rate Map or other flood hazard delineation map?***

No Impact. The project will be located on property currently occupied by a warehouse and pipe storage area. The project site is in an area that has historically been used for oil production (within the Occidental of Elk oil field) and is already developed for industrial use. This project does not include housing, and it is located outside the 100-year flood zone.



h) Place within a 100-year flood hazard area structures, which would impede or redirect flood flows?

No Impact. The project will be located on property currently occupied by a warehouse and pipe storage area. The project site is in an area that has historically been used for oil production (within the Occidental of Elk oil field) and is already developed for industrial use. The project is located outside the 100-year flood zone, so no redirection of flood flows will occur.

i) Expose people or structures to a significant risk of loss, injury or death involving flooding, including flooding as a result of the failure of a levee or dam?

No Impact. The project will be located on property currently occupied by a warehouse and pipe storage area. The project site is in an area that has historically been used for oil production (within the Occidental of Elk oil field) and is already developed for industrial use. The installation of this project will not expose people or structures to flooding. The project is located outside the 100-year flood zone.

j) Inundation by seiche, tsunami, or mudflow?

No Impact. The project site is in Kern County which is not identified in the Tsunami Inundation maps by the California Geological Survey as a county with inundation risk. The project site is in an area that has historically been used for oil production (within the Occidental of Elk oil field) and is located outside the 100-year flood zone. It is unlikely that inundation would occur.

X. LAND USE / PLANNING Would the Project:	Potentially Significant Impact	Potentially Significant Impact Unless Mitigated	Less Than Significant Impact	No Impact
a) Physically divide an established community?				X
b) Conflict with any applicable land use plan, policy, or regulation of an agency with jurisdiction over the Project (including, but not limited to the general plan, specific plan, local coastal program, or zoning ordinance) adopted for the purpose of avoiding or mitigating an environmental effect?				X
c) Conflict with any applicable habitat conservation plan or natural community conservation plan?				X



a) Physically divide an established community?

No Impact. The project will be located on property currently occupied by a warehouse and pipe storage area. The project site is in an area that has historically been used for oil production (within the Occidental of Elk oil field) and is already developed for industrial use. This project is consistent with the current and surrounding land use and will not divide an established community.

b) Conflict with any applicable land use plan, policy, or regulation of an agency with jurisdiction over the project (including, but not limited to the general plan, specific plan, local coastal program, or zoning ordinance) adopted for the purpose of avoiding or mitigating an environmental effect?

No Impact. The project site is zoned A-1 – Limited Agriculture. This project is consistent with current and surrounding land use and will therefore not conflict with any land use plans, policies, or regulations.

c) Conflict with any applicable habitat conservation plan or natural community conservation plan?

No Impact. The project will be located on property currently occupied by a warehouse and pipe storage area. The project site is in an area that has historically been used for oil production (within the Occidental of Elk oil field). It is not subject to the provisions of any Habitat Conservation Plans or Natural Community Conservation Plans.

XI. MINERAL RESOURCES Would the Project:	Potentially Significant Impact	Potentially Significant Impact Unless Mitigated	Less Than Significant Impact	No Impact
a) Result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state?				X
b) Result in the loss of availability of a locally important mineral resource recovery site delineated on a local general plan, specific plan or other land use plan?				X

a) Result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state?

No Impact. The project will be located on property currently occupied by a warehouse and pipe storage area. The project site is in an area that has historically been used for oil production (within the Occidental of Elk oil field) and is already developed for industrial use.



b) Result in the loss of availability of a locally important mineral resource recovery site delineated on a local general plan, specific plan or other land use plan?

No Impact. The project will be located on property currently occupied by a warehouse and pipe storage area. The project site is in an area that has historically been used for oil production (within the Occidental of Elk oil field) and is already developed for industrial use.

XII. NOISE Would the Project result in:	Potentially Significant Impact	Potentially Significant Impact Unless Mitigated	Less Than Significant Impact	No Impact
a) Exposure of persons to or generation of noise levels in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies?				X
b) Exposure of persons to or generation of excessive ground borne vibration or ground borne noise levels?			X	
c) A substantial permanent increase in ambient noise levels in the Project vicinity above levels existing without the Project?				X
d) A substantial temporary or periodic increase in ambient noise levels in the Project vicinity above levels existing without the Project?			X	
e) For a Project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the Project expose people residing or working in the Project area to excessive noise levels?				X
f) For a Project within the vicinity of a private airstrip, would the Project expose people residing or working in the Project area to excessive noise levels?				X

a) Exposure of persons to or generation of noise levels in excess of standards established in any local general plan or noise ordinance, or applicable standards of other agencies?

No Impact. The project will be located on property currently occupied by a warehouse and pipe storage area. The project site is in an area that has historically been used for oil production (within the Occidental of Elk oil field) and is already developed for industrial use. The nearest residential center is Dustin Acres, located approximately 6.38 miles southeast. Existing sources of ambient noise in the project



area include traffic and equipments for the daily operation of the existing facilities. There is no expected increase in trips for the operation of this project, and no increase in noise due to an increase in employees or resources transport.

b) Exposure of persons to, or generation of, excessive ground borne vibration or ground borne noise levels?

Less Than Significant Impact. The project will be located on property currently occupied by a warehouse and pipe storage area. The project site is in an area that has historically been used for oil production (within the Occidental of Elk oil field) and is already developed for industrial use. The nearest residential center is Dustin Acres, located approximately 6.38 miles southeast. Operation of the project will include a variety of equipment required for compressing, treating, and dehydrating rich wet field gas, equipment required for processing and extracting natural gas liquids, and recovering liquefied petroleum gas products and utility systems required for supporting the various process units that comprise the project. This may cause perceptible on-site ground borne noise or vibration, but since the construction site is far from the nearest neighbor, it is highly unlikely that any vibration or noise will be noticed off-site. Activities associated with construction equipment would occur on a temporary basis.

c) A substantial permanent increase in ambient noise levels in the project vicinity above levels existing without the project?

No Impact. The project will be located on property currently occupied by a warehouse and pipe storage area. The project site is in an area that has historically been used for oil production (within the Occidental of Elk oil field) and is already developed for industrial use. The nearest residential center is Dustin Acres, located approximately 6.38 miles southeast. Future noise types and volumes are expected to be similar to the existing conditions of the land use and are expected to remain well below the applicable Kern County noise standards.

d) A substantial temporary or periodic increase in ambient noise levels in the project vicinity above levels existing without the project?

Less than Significant Impact. Noise levels associated with construction activities would be higher than the ambient noise levels in the existing project site; however construction noise levels would be temporary. The nearest residential center is Dustin Acres, located approximately 6.38 miles southeast and are not expected to be impacted by temporary increases in noise.



- e) ***For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project expose people residing or working in the project area to excessive noise levels?***

No Impact. This project is not located within an airport land use plan or within two miles of a public use airport. The closest airport is located approximately 5.6 miles north of the proposed project. This distance precludes the possibility of the project site being adversely exposed to aviation noise.

- f) ***For a project within the vicinity of a private airstrip, would the project expose people residing or working in the project area to excessive noise levels?***

No Impact. This project is not within the vicinity of a private airstrip.



XIII. POPULATION / HOUSING Would the Project:	Potentially Significant Impact	Potentially Significant Impact Unless Mitigated	Less Than Significant Impact	No Impact
a) Induce substantial population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)?				X
b) Displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere?				X
c) Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere?				X

a) Induce substantial population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)?

No Impact. The project will be located on property currently occupied by a warehouse and pipe storage area. The project site is in an area that has historically been used for oil production (within the Occidental of Elk oil field) and is already developed for industrial use. The project will be manned using existing personnel and will not involve an increase in employees and/or their families.

b) Displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere?

No Impact. The project will be located on property currently occupied by a warehouse and pipe storage area. The project site is in an area that has historically been used for oil production (within the Occidental of Elk oil field) and is already developed for industrial use.

c) Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere?

No Impact. The project will be located on property currently occupied by a warehouse and pipe storage area. The project site is in an area that has historically been used for oil production (within the Occidental of Elk oil field) and is already developed for industrial use.



XIV. PUBLIC SERVICES Would the Project:	Potentially Significant Impact	Potentially Significant Impact Unless Mitigated	Less Than Significant Impact	No Impact
a) Result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for any of the public services:	-	-	-	-
i) Fire protection?			X	
ii) Police protection?				X
iii) Schools?				X
iv) Parks?				X
v) Other public facilities?				X

a) **Would the project result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for any of the public services:**

i) *Fire Protection?*

Less Than Significant Impact. The project will be located on property currently occupied by a warehouse and pipe storage area. The project site is in an area that has historically been used for oil production (within the Occidental of Elk oil field) and is already developed for industrial use. The project will include a 175 brake horsepower, EPA certified Tier-3 diesel engine, to be used to power water pump for fire fighting, should the need arise. The project would not require construction of a new fire station or a substantially increase in the level of service.

ii) *Police Protection?*

No Impact. The project will be located on property currently occupied by a warehouse and pipe storage area. The project site is in an area that has



historically been used for oil production (within the Occidental of Elk oil field) and is already developed for industrial use.

iii) *Schools?*

No Impact. The project will be manned using existing personnel and will not involve an increase in employees and/or their families.

iv) *Parks?*

No Impact. The project will be manned using existing personnel and will not involve an increase in employees and/or their families.

v) *Other Public Facilities?*

No Impact. The project will be manned using existing personnel and will not involve an increase in employees and/or their families.

XV. RECREATION Would the Project:	Potentially Significant Impact	Potentially Significant Impact Unless Mitigated	Less Than Significant Impact	No Impact
a) Increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated?				X
b) Include recreational facilities or require the construction or expansion of recreational facilities which might have an adverse physical effect on the environment?				X

a) Increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated?

No Impact. The project will be manned using existing personnel and will not involve an increase in employees and/or their families.



b) Include recreational facilities or require the construction or expansion of recreational facilities which might have an adverse physical effect on the environment?

No Impact. The project will be manned using existing personnel and will not involve an increase in employees and/or their families.

XVI. TRANSPORTATION / TRAFFIC Would the Project:	Potentially Significant Impact	Potentially Significant Impact Unless Mitigated	Less Than Significant Impact	No Impact
a) Conflict with an applicable plan, ordinance or policy establishing measures of effectiveness for the performance of the circulation system, taking into account all modes of transportation including mass transit and on motorized travel and relevant components of the circulation system, including but not limited to intersections, streets, highways and freeways, pedestrian and bicycle paths, and mass transit?				X
b) Conflict with an applicable congestion management program, including, but not limited to level of service standards and travel demand measures, or other standard established by the county congestion management agency for designated roads of highways?				X
c) Result in a change in air traffic patterns, including either an increase in traffic levels or a change in location that results in substantial safety risks?				X
d) Substantially increase hazards due to a design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)?				X
e) Result in inadequate emergency access?				X
f) Conflict with adopted policies, plans, or programs regarding public transit, bicycle, or pedestrian facilities, or otherwise decrease the performance or safety of such facilities?				X



- a) ***Conflict with an applicable plan, ordinance or policy establishing measures of effectiveness for the performance of the circulation system, taking into account all modes of transportation including mass transit and on motorized travel and relevant components of the circulation system, including but not limited to intersections, streets, highways and freeways, pedestrian and bicycle paths, and mass transit?***

No Impact. The facility will be manned using existing personnel, and residue gas and NGL products will be delivered using product pipeline systems. Temporary increases in traffic will occur during construction from workers but would be minimized by commuting by buses. The project will not increase the oilfield traffic and employee commute that currently occurs in the area nor would it require any changes to the existing and planned circulation system.

- b) ***Conflict with an applicable congestion management program, including, but not limited to level of service standards and travel demand measures, or other standard established by the county congestion management agency for designated roads of highways?***

No Impact. The project related facility will be manned using existing personnel, and residue gas and natural gas liquids products will be delivered using existing pipeline systems. Temporary increases in traffic will occur during construction from workers but would be minimized by commuting by buses.

- c) ***Result in change in air traffic patterns, including either an increase in air traffic levels or a change in location that results in substantial safety risks?***

No Impact. The project will be located on property currently occupied by a warehouse and pipe storage area. The project site is in an area that has historically been used for oil production (within the Occidental of Elk oil field) and is already developed for industrial use. Construction and operational activities will not affect air traffic patterns.

- d) ***Substantially increase hazards due to a design feature (e.g. sharp curves or dangerous intersections) or incompatible uses (e.g. farm equipment)?***

No Impact. There will be no alterations to existing roads or intersections. The project related facility will be manned using existing personnel, and residue gas and natural gas liquids products will be delivered using existing pipeline systems.

- e) ***Result in inadequate emergency access?***

No Impact. There will be no change affecting emergency access. This project does not result in changes to the existing pathways. The project will be located on



property currently occupied by a warehouse and pipe storage area. The project site is in an area that has historically been used for oil production (within the Occidental of Elk oil field).

f) Conflict with adopted policies, plans, or program regarding public transit, bicycle, or pedestrian facilities, or otherwise decrease the performance or safety of such facilities?

No Impact. The project will be located on property currently occupied by a warehouse and pipe storage area. The project site is in an area that has historically been used for oil production (within the Occidental of Elk oil field) and is already developed for industrial use. The project will be manned using existing personnel and will not involve an increase in employees and/or their families. Residue gas and natural gas liquids products will be delivered using existing pipeline systems.

XVII. UTILITIES / SERVICE SYSTEMS Would the Project:	Potentially Significant Impact	Potentially Significant Impact Unless Mitigated	Less Than Significant Impact	No Impact
a) Exceed wastewater treatment requirements of the applicable Regional Water Quality Control Board?				X
b) Require or result in the construction of new water or wastewater treatment facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?				X
c) Require or result in the construction of new storm water drainage facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?				X
d) Have sufficient water supplies available to serve the Project from existing entitlements and resources, or are new or expanded entitlements needed?				X
e) Result in a determination by the wastewater treatment provider that serves or may serve the Project that it has adequate capacity to serve the Project's Projected demand in addition to the provider's existing commitments?				X
f) Be served by a landfill with sufficient permitted capacity to accommodate the Project's solid waste disposal				X



needs?				
g) Comply with federal, state, and local statutes and regulations related to solid waste?				X

a) Exceed wastewater treatment requirements of the applicable Regional Water Quality Control Board?

No Impact. The project involves natural gas processing and does not involve wastewater. The project will include several small drain tanks and a “produced water tank” that will receive liquids from several processing points within the plant. The produced water tank will be served by a tank vapor recovery system and the vapors recovered from the tank will be routed to the gas plant intake system or the field gas collection system.

b) Require or result in the construction of new water or wastewater treatment facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?

No Impact. The project involves natural gas processing and does not require or result in the construction or expansion of new water or wastewater treatment facilities.

c) Require or result in the construction of new storm water drainage facilities or expansion of existing facilities, the construction of which could cause significant environmental impacts?

No Impact. The project will be located on property currently occupied by a warehouse and pipe storage area. The project site is in an area that has historically been used for oil production (within the Occidental of Elk oil field) and is already developed for industrial use. The construction of this proposed project will not create a demand for new or expanding storm water drainage facilities.

d) Have sufficient water supplies available to serve the project from existing entitlements and resources, or are new or expanded entitlements needed?

No Impact. The project does not use steam for heating and will only require a small amount of water for utilities purposes; hence, it will have sufficient water supply.



e) Result in a determination by the wastewater treatment provider that serves or may serve the project that it has adequate capacity to serve the Project's Projected demand in addition to the provider's existing commitments??

No Impact. The project involves natural gas processing and does not require or result in the construction or expansion of new water or wastewater treatment facilities. The project will not impact any wastewater treatment providers.

f-g) Be served by a landfill with sufficient permitted capacity to accommodate the project's solid waste disposal needs? Comply with federal, state, and local statutes and regulations related to solid waste?

No Impact. The project will be located on property currently occupied by a warehouse and pipe storage area. The project site is in an area that has historically been used for oil production (within the Occidental of Elk oil field) and is already developed for industrial use. The project involves natural gas processing and is not expected to generate landfill waste.

XVIII. MANDATORY FINDINGS OF SIGNIFICANCE	Potentially Significant Impact	Potentially Significant Impact Unless Mitigated	Less Than Significant Impact	No Impact
a) Does the Project have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory?			X	
b) Does the Project have impacts that are individually limited, but cumulatively considerable? ("Cumulatively Considerable" means that the incremental effects of a Project are considerable when viewed in connection with the effects of past Projects, the effects of other current Projects, and the effects of probable future Projects)?			X	



c) Does the Project have environmental effects, which will cause substantial adverse effects on human beings, either directly or indirectly?			X	
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- a) Does the project have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory?**

Less Than Significant Impact: The project will be located on property currently occupied by a warehouse and pipe storage area. The project site is in an area that has historically been used for oil production (within the Occidental of Elk oil field) and is already developed for industrial use. Project design elements and conditions of project approval that reduce project related impacts on the environment would be enforced through District permit conditions and surrendering emission reduction credits.

- b) Does the project have impacts that are individually limited, but cumulatively considerable? (“Cumulatively considerable” means that the incremental effects of a project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects)?**

Less than Significant Impact. The San Joaquin Valley Air Basin is in nonattainment for ozone and PM2.5 standards and in nonattainment for State PM10 standards because of cumulative emissions from numerous sources throughout the Valley as well as transport of pollutants from other regions outside of the Valley. The annual emissions threshold of 10 tons for both ROG and NOx, and 15 tons for PM10 are to limit the cumulative impact from contribution of individual projects, thereby reducing the cumulative impacts of many smaller-scale projects. The project would not result in emissions exceeding those thresholds. Additionally, compliance with District Regulation VIII requirements would ensure that cumulative PM10 and PM2.5 impacts would be less than significant. The project would also use existing personnel to manage the facility. Therefore, the project is not expected to pose a significant cumulative CO impact from mobile sources or have hazardous air pollutants (HAPs) impact based on results of the Health Risk Assessment. There are no significant cumulative noise, and traffic impacts caused by the project. The project is not part of any larger, planned development. Therefore, the project's cumulative impacts are expected to be less than significant.



c) Does the project have environmental effects which will cause substantial adverse effects on human beings, either directly or indirectly?

Less than Significant Impact. The project will be located on property currently occupied by a warehouse and pipe storage area. The project site is in an area that has historically been used for oil production (within the Occidental of Elk oil field) and is already developed for industrial use. Project design elements and conditions of project approval that reduce project related impacts on the environment would be enforced through District permit conditions and surrendering emission reduction credits.

The applicant for this project is required to comply with applicable rules and regulation. This project will not conflict with District's policy for addressing GHG impacts nor with any other applicable plans, policies, or regulations. Furthermore, the project reduces BAU GHG emission by greater than 29%. Therefore, the project would not interfere with the implementation of AB 32 because it would be consistent with the GHG emission reduction targets identified by California Air Resources Board's Climate Scoping Plan.



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APPENDIX A

Comments and Responses for
Initial Study/Negative Declaration
New Cryogenic Natural Gas Processing Plant (S-1103628)

December 1, 2010



The San Joaquin Valley Air Pollution Control District (District) provided a notice of intent to adopt a negative declaration for the proposed construction and operation of a new cryogenic natural gas processing plant to be located at the existing Occidental gas plant site, (Stationary Source S-2234). The Initial Study and Negative Declaration were available for public review and comment from October 15, 2010 to November 15, 2010.

The following party provided written comments on the proposed Negative Declaration:

- State of California Department of Fish and Game (F&G)

All comments were duly considered and addressed in preparation of the final Negative Declaration. A copy of the comment letter is incorporated into this document as Appendix B. A summary of salient comments and associated responses follow.

1. **Comment:** While the Negative Declaration describes the project as an existing developed site, the project description is lacking in detail regarding total area that could be disturbed either permanently or temporarily by project activities. It is not clear from the limited information provided whether the operation of the facility could also impact biological resources.

Response: The project proponent has met with F&G to provide them a better understanding of the scope of the project relative to the site conditions and how this may impact biological resources known to occur on the Elk Hills/NPR. For clarity, the project description has been amended to provide additional details reinforcing that all work will be conducted in adherence to the 1995 Biological Opinion and Memorandum of Understanding (MOU) between Occidental and the California Department of Fish and Game. This change is an administrative clarification supporting the District's original determination that the project would have a less than significant impact on biological species.

2. **Comment:** The Department is not able to concur with the conclusion that potential impacts to sensitive biological resources will be less than significant without the application of avoidance, minimization, and mitigation measures.

Response: The project proponent has met with F&G to provide them a better understanding of the scope of the project relative to the site conditions and how this may impact biological resources known to occur on the Elk Hills/NPR. It was determined that all work will be conducted in adherence to the existing 1995 Biological Opinion and Memorandum of Understanding (MOU) between Occidental and the California Department of Fish and Game. As such, F&G found no basis upon which to conclude that the project would have a significant impact on sensitive biological resources. Per the request of F&G, the Negative Declaration has been amended to state that Oxy will notify the Department of Fish and Game and the US Fish and Wildlife Service in the event a State or Federally listed species is encountered within the building envelope during active construction of the gas plant. Compliance with regulatory requirements, including the existing MOU is not optional



and as such does not constitute mitigation. Thus, the change is an administrative clarification supporting the District's original determination that the project would have a less than significant impact on biological species.

3. **Comment:** The Department is working with Occidental of Elk Hills, Inc., to develop a Habitat Conservation Plan for activities within the Elk Hills oil field. It is not clear why this project is being proposed independently and whether doing so might constitute piecemealing of a larger project.

Response: The project proponent has met with F&G to provide them a better understanding of the scope of the project relative to the site conditions and how this may impact biological resources known to occur on the Elk Hills/NPR. The question regarding possible piecemealing has been resolved.

4. **Comment:** The comment letter provided discussion regarding F&G's various roles under CEQA, their jurisdictional responsibilities for biological species, sensitive biological species known to occur within the Elk Hills oil field, and various approaches for avoiding and minimizing impacts to sensitive species.

Response: The discussion was informational in nature. No response is required.

5. **Comment:** If measures are required to ensure that any impacts are reduced to a less than significant level, then those measures should be included as mitigation. A Negative Declaration would not be appropriate if any avoidance, minimization, or compensation is necessary to reduce potential project related impacts.

Response: The project proponent has met with F&G to provide them a better understanding of the scope of the project relative to the site conditions and how this may impact biological resources known to occur on the Elk Hills/NPR. It was determined that all work will be conducted in adherence to the existing 1995 Biological Opinion and Memorandum of Understanding (MOU) between Occidental and the California Department of Fish and Game. As such, F&G found no basis upon which to conclude that the project would have a significant impact on sensitive biological resources. Compliance with regulatory requirements, including the existing MOU is not optional and as such does not constitute mitigation. Thus, a Negative Declaration is appropriate for this project.



APPENDIX B

Comments Received for
Initial Study/Negative Declaration
New Cryogenic Natural Gas Processing Plant (S-1103628)

December 1, 2010



State of California – The Natural Resources Agency
DEPARTMENT OF FISH AND GAME

Central Region
1234 East Shaw Avenue
Fresno, California 93710
(559) 243-4005
<http://www.dfg.ca.gov>

ARNOLD SCHWARZENEGGER, Governor

JOHN McCAMMAN, Director



November 15, 2010

Patia Siong
ISR / CEQA Department
San Joaquin Valley
Air Pollution Control District
1990 East Gettysburg Avenue
Fresno, California 93726-0244

Subject: Negative Declaration (ND)
Cryogenic Natural Gas Processing Plant for Occidental of Elk Hills, Inc.

Dear Ms. Siong:

The Department of Fish and Game has reviewed the ND submitted by the San Joaquin Valley Air Pollution Control District for the above Project. Project approval would allow for the construction and operation a new cryogenic natural gas processing plant on the site of an existing warehouse and pipe storage yard. The Project is estimated to encompass 16.2 acres and construction would occur over approximately 14 months. The Project site is located in the Elk Hills oil field in western Kern County, in the NW ¼ of Section 35, Township 30S, Range 23E.

While the ND describes the Project location as an existing developed site, the Project description is lacking in detail regarding the total area that could be disturbed either permanently or temporarily by Project activities. Specifically, the Project description regarding construction does not indicate where equipment storage and staging areas will be, number and locations of vehicle access points to the Project site, or whether the disclosed 16.2-acre Project size includes all areas of temporary disturbance. The ND does not include a site plan or other description of these areas. In addition, the ND states that the Project description includes both construction and operation of the new facility, and it is not clear from the limited information provided whether the operation of the facility could also have impacts to biological resources.

The Department is not able to concur with the ND's conclusion that potential impacts to sensitive biological resources will be less than significant without the application of avoidance, minimization, and mitigation measures. Multiple State-listed species have been documented in the immediate vicinity of the Project site, and other sensitive species have the potential to occur. The ND does not appear to have established biological baseline based on a visit to the site by a qualified biologist, and therefore does not evaluate the potential for significant Project-related impacts to occur to species known to the Project vicinity. The Department is concerned that impacts to special status species could occur, and that in order to ensure that those potential impacts are reduced to less than significant levels, enforceable mitigation measures would need to be proposed such that the Department and the public can evaluate the effectiveness of those measures.

Conserving California's Wildlife Since 1870



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Based on insufficient information provided in the ND relative to the Project description and the potential for significant impacts, the Department recommends that the California Environmental Quality Act (CEQA) document be recirculated with all relevant information and mitigation measures included. Because the Department acts as Trustee Agency under CEQA and the Project has the potential to impact biological resources, the recirculated CEQA document should be submitted to the State Clearinghouse for distribution. The Department is working with Occidental of Elk Hills, Inc., to develop a Habitat Conservation Plan for activities within the Elk Hills oil field, and it is not clear why this Project is being proposed independently and whether doing so might constitute piecemealing of a larger project.

Trustee Agency Authority: The Department is a Trustee Agency with the responsibility under CEQA for commenting on projects that could impact plant and wildlife resources. Pursuant to Fish and Game Code Section 1802, the Department has jurisdiction over the conservation, protection, and management of fish, wildlife, native plants, and habitat necessary for biologically sustainable populations of those species. As a Trustee Agency for fish and wildlife resources, the Department is responsible for providing, as available, biological expertise to review and comment on environmental documents and impacts arising from project activities, as those terms are used under CEQA.

Responsible Agency Authority: The Department has regulatory authority over projects that could result in the "take" of any species listed by the State as threatened or endangered, pursuant to Fish and Game Code Section 2081. If the Project could result in the "take" of any species listed as threatened or endangered under the California Endangered Species Act (CESA), the Department may need to issue an Incidental Take Permit for the Project. CEQA requires a Mandatory Finding of Significance if a project is likely to substantially impact threatened or endangered species (Sections 21001{c}, 21083, Guidelines Sections 15380, 15064, 15065). Impacts must be avoided or mitigated to less than significant levels unless the CEQA Lead Agency makes and supports a Statement of Overriding Consideration (SOC). The CEQA Lead Agency's SOC does not eliminate the Project proponent's obligation to comply with Fish and Game Code Section 2080. The Project has the potential to reduce the number or restrict the range of the State threatened and Federally endangered San Joaquin kit fox (*Vulpes macrotis mutica*), the State and Federally endangered giant kangaroo rat (*Dipodomys ingens*), the State and Federally endangered and State fully protected blunt-nosed leopard lizard (*Gambelia sila*), and the State threatened San Joaquin antelope squirrel (*Ammospermophilus nelsoni*).

Unlisted Species: Species of plants and animals need not be officially listed as Endangered, Rare, or Threatened (E, R, or T) on any State or Federal list to be considered E, R, or T under CEQA. If a species can be shown to meet the criteria for E, R, or T, as specified in the CEQA Guidelines (California Code of Regulations, Title 14, Chapter 3, Section 15380), it should be fully considered in the environmental analysis for the Project. The State Species of Special Concern burrowing owl (*Athene cunicularia*) and short-nosed kangaroo rat (*Dipodomys nitratoides brevinasus*) could occur in the Project area, and species-specific measures should be included in the CEQA document to ensure that impacts are kept at less than significant levels.



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Fully Protected Species: The Department has jurisdiction over fully protected species of birds, mammals, amphibians, reptiles, and fish, pursuant to Fish and Game Code Sections 3511, 4700, 5050, and 5515. "Take" of any fully protected species is prohibited and the Department cannot authorize their "take" for development. The blunt-nosed leopard lizard is a fully protected species that could occur on or adjacent to the Project site. The CEQA document prepared for this project should evaluate and address potential project-related impacts to this species, and should include appropriate species specific avoidance and minimization measures.

Bird Protection: The Department has jurisdiction over actions that may result in the disturbance or destruction of active nest sites or the unauthorized "take" of birds. Sections of the Fish and Game Code that protect birds, their eggs and nests include Sections 3503 (regarding unlawful "take," possession or needless destruction of the nest or eggs of any bird), 3503.5 (regarding the "take," possession or destruction of any birds-of-prey or their nests or eggs), and 3513 (regarding unlawful "take" of any migratory nongame bird).

Project Recommendations

San Joaquin Kit Fox: San Joaquin kit fox has been documented in the Project vicinity and is known to use highly disturbed sites, including active construction zones. Without adequate measures in place during ground-disturbing and other Project activities, impacts to kit foxes could occur. The Department recommends that a qualified biologist survey all areas of planned permanent and temporary disturbance plus a minimum 200-foot buffer, including currently developed areas, to identify any potential kit fox dens and den surrogates. Survey results should be submitted to the Department. If kit fox dens are present on or adjacent to the Project site, the Department recommends consultation to determine whether an Incidental Take Permit is warranted.

Project areas that do not provide denning habitat still have the potential to be used by kit foxes. The Department recommends that the United States Fish and Wildlife Service's (USFWS) "Standardized recommendations for protection of the San Joaquin kit fox prior to or during ground disturbance" (1999) be followed prior to any ground-disturbing activities occurring within the Project area. The Department also recommends that the avoidance, minimization, and mitigation measures described therein be included in the CEQA document that is approved for this Project.

"Take" under the Federal Endangered Species Act (FESA) is more stringently defined than CESA; "take" under FESA also includes significant habitat modification or degradation that could result in death or injury to a listed species by interfering with essential behavioral patterns such as breeding, foraging, or nesting. Consultation with the USFWS in order to comply with FESA is advised well in advance of Project implementation.

Listed Rodent Species: San Joaquin antelope squirrel and giant kangaroo rat have the potential to occur on or adjacent to areas of the Project site. Surveys of the entire Project site and an appropriate buffer should be conducted by a qualified biologist who is experienced in identifying these animals and characteristics of occupied habitat. Depending on the results of



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surveys, consultation with the Department may be warranted to determine if the Project can avoid "take". If "take" cannot be avoided, acquisition of an Incidental Take Permit would be required prior to Project implementation. Alternatively, the applicant has the option of assuming presence and securing a State Incidental Take Permit for one or both species.

Nonlisted Rodent Species: The short-nosed kangaroo rat has been documented in the Project vicinity, and other sensitive but nonlisted rodent species have the potential to occur on or adjacent to the Project site. The CEQA document for this Project should identify which species have the potential to occur, and whether significant impacts could result from Project implementation. Any avoidance, minimization, and mitigation measures necessary to reduce impacts to less than significant levels should be clearly stated. It is important to note that if the CEQA document proposes to remove or relocate any individuals of a State Species of Special Concern, written approval from the Department will be required; a biologist's Scientific Collecting Permit does not authorize the moving of these individuals out of harm's way on a Project site.

Blunt-Nosed Leopard Lizard: The CEQA document prepared for this Project should address the potential for this species to occur on the Project site. The Department recommends that protocol-level surveys be performed in all areas of suitable habitat for blunt-nosed leopard lizard and that survey results be submitted to the Department. These surveys, the parameters of which were designed to optimize detectability, must be conducted to reasonably assure the Department that "take" of this fully protected species will not occur as a result of Project implementation. In the event that this species is detected during protocol-level surveys, consultation with the Department is warranted to discuss how to implement the Project and avoid "take."

Burrowing Owl: Burrowing owls could occur on or adjacent to the Project site. The Department recommends following the survey methodology developed by the California Burrowing Owl Consortium (CBOC, 1993) if the Project site contains burrows that could be used by burrowing owls. If nesting burrowing owls are found on or adjacent to the Project site, the Department recommends that impacts to occupied burrows be avoided by implementation of a no-construction buffer zone of a minimum distance of 250 feet, unless a qualified biologist approved by the Department verifies through non-invasive methods that either: 1) the birds have not begun egg laying and incubation; or 2) that juveniles from the occupied burrows are foraging independently and are capable of independent survival (DFG, 1995). Failure to implement this buffer zone could cause adult burrowing owls to abandon the nest, cause eggs or young to be directly impacted (crushed), and/or result in reproductive failure. Impacts of this nature are violations of Fish and Game Code Sections 3503, 3503.5, 3513, and the Federal Migratory Bird Treaty Act.

If the Project proposes to evict burrowing owls that may be present, the Department recommends passive relocation during the nonbreeding season. The CEQA document should describe all avoidance measures that would be employed in the event that owls are found on the Project site, as well as methods that would be used to evict owls from burrows. The



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Department recommends replacement of occupied burrows with artificial burrows as mitigation for the potentially significant impact of evicting a burrowing owl.

CEQA Compliance: CEQA Guidelines Section 15378 defines "project" to mean the whole of an action that may result in either a direct or reasonably foreseeable indirect physical change in the environment. The CEQA document should adequately address all potential impacts to State-listed and other sensitive species within and adjacent to the Project site. The CEQA document should also adequately analyze for cumulative impacts for similar projects and surrounding development. If measures are required to ensure that any impacts are reduced to a less than significant level, then those measures should be included as mitigation; a Negative Declaration would not be appropriate if any avoidance, minimization, or compensation is necessary to reduce potential Project-related impacts.

If you have any questions regarding these comments, please contact Linda Connolly, Environmental Scientist, at the address provided on this letterhead, by telephone at (559) 243-4014, extension 242, or by email at lconnolly@dfg.ca.gov.

Sincerely,

Jeffrey R. Shingle, Ph.D.
Regional Manager

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Office of Planning and Research
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Tim Kuhn
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